

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
ALPENA POWER COMPANY)	
for authority to increase its rates for the sale of)	Case No. U-18324
electricity.)	
_____)	

At the November 21, 2017 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Rachael A. Eubanks, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On June 1, 2017, Alpena Power Company (Alpena) filed its application, with supporting testimony and exhibits, requesting approval of an annual revenue increase of \$1,930,057. Alpena also requested authority to revise depreciation rates, add a rate for light-emitting diode (LED) lighting, approve changes to an experimental primary distribution tariff, and defer and amortize costs relating to this proceeding.

A prehearing conference was held on July 13, 2017, before Administrative Law Judge Dennis W. Mack. Alpena and the Commission Staff participated in the proceeding. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement. The Commission

further finds that the settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and should be approved.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. The revised rates and tariffs set forth in Attachment 3 to the settlement agreement are approved and shall become effective January 1, 2018.
- C. The revised annual depreciation accrual rates set forth in Attachment 2 to the settlement agreement are approved and shall take effect January 1, 2018.
- D. Within 30 days of the issuance of this order, Alpena Power Company shall file with the Commission, tariff sheets substantially similar to those set forth in Attachment 3 to the settlement agreement. The revised tariff sheets shall reflect that they are effective for service rendered on and after January 1, 2018.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any person desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Rachael A. Eubanks, Commissioner

By its action of November 21, 2017.

Kavita Kale, Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
ALPENA POWER COMPANY)
for authority to increase its rates for the)
sale of electricity)
_____)

Case No. U-18324

SETTLEMENT AGREEMENT

Alpena Power Company ("Alpena") by and through its attorney, James D. Florip, of the Law Firm of Gillard, Bauer, Mazrum, Florip, Smigelski & Gulden, and the Michigan Public Service Commission Staff ("Staff") by and through its attorney, Amit S. Singh, hereby present this Settlement Agreement in resolution of the above matter:

1. On June 1, 2017, Alpena filed its application with supporting testimony and exhibits, for approval of an annual increase in jurisdictional revenue of \$1,930,057. In addition, Alpena's application and supporting testimony also sought:

- a) new rates designed to continue to reflect no cross-subsidization between rate classes,
- b) a revised PSCR base rate of 72.30 mills,
- c) the elimination of the Alpena's Alternative Energy Manufacturing Service tariff,

SETTLEMENT AGREEMENT
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- d) revised depreciation rates,
- e) addition of a rate for LED lighting within the Outdoor Protective Lighting and Highway Lights rate classifications,
- f) approval of changes to the Experimental Primary Distribution tariff, and
- g) approval to defer and amortize the costs associated with this proceeding over a three year period, and to record deferred taxes related thereto.

2. On June 13, 2017, the Commission issued its Notice of Hearing scheduling a pre-hearing conference for July 13, 2017 before Administrative Law Judge (“ALJ”) Dennis W. Mack.

3. In accordance with the directives of the Commission, Alpena gave notice of the pre-hearing conference throughout its service territory. Alpena electronically filed its proof of service and affidavit of publication of the Notice of Hearing with the Commission on June 29, 2017.

4. At the July 13, 2017 pre-hearing conference, it was established that Alpena timely served and published the Notice of Hearing. In addition, a case schedule was established.

5. On September 6, 2017, the Staff and Alpena conducted settlement discussions which led to the agreements incorporated in this Settlement Agreement.

6. The parties agree that this Settlement Agreement will aid in the expeditious conclusion of this matter and will minimize the expense of this proceeding by both Alpena and the Commission.

SETTLEMENT AGREEMENT
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7. This Settlement Agreement resolves this case and all provisions of this agreement are dependent upon all other provisions.

8. Alpena and the Commission Staff agree as follows:

- A. Alpena should be authorized to revise its tariffs to reflect an annual revenue increase of approximately \$1,350,000 effective for service rendered on and after January 1, 2018.
- B. On a class-by-class basis, the tariff sheets in Attachment 3 implement percentage rate increases as set forth in Attachment 1 hereto. Rates continue to be deskewed to the extent practicable and are cost based in accordance with the provisions of 2008 PA 286; MCL 460.11(6). The residential service tariff increase in this settlement reflects both the effects of a general rate increase of approximately 3.73% along with the effect of deskewing adjustments of 1.17% for an estimated aggregate increase in residential service tariff of approximately 4.90%.
- C. The agreed upon rates reflect an authorized rate of return on common equity of 10.10% and an overall rate of return of 5.81%.
- D. The revised rates reflect a new Power Supply Cost Recovery ("PSCR") base of 72.30 mills per kWh at the generation level effective January 1, 2018.
- E. Alpena's Alternative Energy Manufacturing Service Tariff will be terminated.
- F. By May 31 of each year, Alpena will file with the Commission a report detailing the prior year's operational progress of its vegetation management plan, including total tree trimming expenditures, transmission (138 and 34.5kV) and distribution tree trimming expenditures, miles of transmission lines trimmed, miles of distribution lines trimmed, miles of lines sprayed, and customer requests for

SETTLEMENT AGREEMENT
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| tree trimming.

- G. A rate for LED lighting within the Outdoor Protective and Street and Highway Lighting rate classifications should be approved.
- H. Changes to the Experimental Primary Distribution tariff should be approved.
- I. Effective January 1, 2018, Alpena shall utilize revised annual depreciation accrual rates as set forth in Attachment 2.
- J. Alpena should be authorized to defer and amortize costs associated with this proceeding over a three year period and to record deferred taxes related thereto.
- K. The provisions of this Settlement Agreement shall take effect January 1, 2018.

9. This Settlement Agreement will become binding upon the parties only if the Commission accepts and approves it without modification. If the Commission does not approve this Settlement Agreement without modification, it shall be withdrawn and shall not constitute any part of the record in the proceeding or be used for any purpose whatsoever.

10. This Settlement Agreement has been made for the sole and express purpose of reaching a compromise among the positions of the signatories without prejudice to their rights to take new and different positions in other proceedings. All offers of settlement and discussions relating to this Settlement Agreement shall be considered privileged under MRE 408. If the Commission approves this Settlement Agreement without modification, the parties shall make no reference to or use the Settlement Agreement or the order approving it as a

SETTLEMENT AGREEMENT
U-18324

reason, authority, rationale, or example for taking any action or position or making any subsequent decision in any other case or proceedings; provided, however, such references or use may be made to enforce the Settlement Agreement and order.

11. All parties waive Section 81 of the Administrative Procedures Act of 1969, as amended, MCL 24.281.

Dated: November 2, 2017

ALPENA POWER COMPANY

James D.
Florip

 Digitally signed by James D. Florip
DN: cn=James D. Florip, o=Gillard, Bauer,
Mazrum, Florip, Smigelski & Gulden, ou,
email=jdflorip@gillardlaw.com, c=US
Date: 2017.11.02 14:31:21 -04'00'

By: James D. Florip (P26861)
Its: Attorney
Gillard, Bauer, Mazrum, Florip,
Smigelski & Gulden
109 E. Chisholm Street
Alpena, MI 49707
(989) 356-3444

Date: November 2, 2017

MICHIGAN PUBLIC SERVICE COMMISSION



By: Amit T. Singh (P75492)
Its: Attorney
Assistant Attorney General
7109 W. Saginaw Highway – Third Floor
Lansing, MI 48917
(517) 248-8140

SETTLEMENT AGREEMENT
U-18324

Attachment 1
Case No. U-18324

ALPENA POWER COMPANY
Present and Proposed Revenues by Rate Schedules
For Settlement Agreement

No.	(A) Rate Schedule	(B) Revenue		(C)	(D)	(E)
		Present	Proposed	Change	Percent Increase	
1	Residential	12,656,800	13,277,538	620,738	4.90%	
2	General Service	4,152,900	4,390,354	237,454	5.72%	
4	Standard Power	5,507,800	5,637,668	129,868	2.36%	
5	Large Power	3,060,400	3,289,161	228,761	7.47%	
6	Large Industrial	4,180,100	4,333,863	153,763	3.68%	
7	Alternative Energy Econ Devel	0	0	0	N/A	
8	Outdoor Protective Lights	206,200	199,256	-6,944	-3.37%	
9	Street & Highway Lights	21,300	20,488	-812	-3.81%	
10	Experimental Primary Distribution	68,300	55,467	-12,833	-18.79%	
11	Misc Operating Revenue	169,100	169,100	0	0.00%	
12	Total Jurisdictional Revenues	30,022,900	31,372,895	1,349,995	4.50%	
13	Special Contract	6,170,400	6,170,400	0	0.00%	
14	Total Revenues	36,193,300	37,543,295	1,349,995	3.73%	

Attachment 2
Case U-18324

ALPENA POWER COMPANY
Proposed Annual Depreciation Accrual Rates
To be Effective January 1, 2018

Account	Description	Rate %
	TRANSMISSION	
352.0	Struct & Improvements	2.00%
353.0	Station Equipment	2.55%
355.0	Poles & Fixtures	2.48%
356.0	Overhead Conductor	2.44%
358.0	Underground Conductor	2.68%
	DISTRIBUTION	
361.0	Struct & Improvements	23.87%
362.0	Station Equipment	2.49%
364.0	Poles & Fixtures	2.07%
365.0	Overhead Conductor	2.69%
367.0	Underground Conductor	2.53%
368.0	Line Transformers	5.16%
369.0	Services	2.37%
370.0	Meters	3.30%
371.0	Install Cust Premises	4.96%
373.0	Street Lighting	1.75%
	GENERAL	
390.0	Struct & Improvements	1.79%
391.0	Office Furn & Equip	7.03%
391.1	Computer Equipment	7.92%
392.0	Transportation Equip	4.96%
394.0	Tools, Shop & Garage	4.50%
395.0	Laboratory Equipment	3.02%
396.0	Power Operated Equip	8.75%
397.0	Communication Equip	3.42%

Attachment 3
Case U-18324

TARIFF SHEETS

POWER SUPPLY COST RECOVERY CLAUSE

(Continued from Sheet No. D-1.00)

2. **PSCR FACTOR** - All rates for metered electric service shall include an amount up to the Power Supply Cost Recovery Factor (PSCR Factor) for the specified billing period as set below. The PSCR factor shall consist of an increase or decrease of 0.010625 mills per kWh for each full 0.01 mill per kWh increase or decrease in the projected annual power supply costs above or below a base cost of **72.30** mills per kWh, rounded to the nearest one-hundredth of a mill per kWh. The projected power supply costs per kWh shall equal the total projected annual net power cost divided by the projected annual net system energy requirements. Net system energy requirements shall be the sum of net generation and net purchased and interchange power.

Should the Company apply lesser factors than those shown below or if the factors are later revised pursuant to Commission orders or 1982 PA 304, the Company will notify the Commission if necessary and file a revision.

3. **MONTHLY REPORTS** - Not more than 45 days following the last day of each billing month in which a PSCR factor has been applied to customers' bills, the Company shall file with the Commission a detailed statement for that month of the revenues recorded pursuant to the PSCR factor and the allowance for cost of power included in the base rates established in the latest Commission Order for the Company, and the cost of power supply.
4. **ANNUAL RECONCILIATION** - All power supply revenues received by the Company, whether included in base rates or collected pursuant to a PSCR clause, shall be subject to annual reconciliation with the cost of power supply. Such annual reconciliations shall be conducted in accordance with the reconciliation procedures described in section 6j(12) to (18) of 1939 PA 3, as amended, including the provisions for refunds, additional charges, deferral and recovery, and shall include consideration by the Commission of the reasonableness and prudence of expenditures charged pursuant to any PSCR clause in existence during the period being reconciled.

(continued on Sheet No. D-3.00)

Issued _____, 2017, by
Gary D. Graham, President
Alpena, MI 49707

Effective for service rendered on
and after January 1, 2018

Issued under authority of the
Michigan Public Service Commission
dated _____
in Case No. U-18324

RESIDENTIAL SERVICE**Availability:**

Open to any customer desiring service for domestic and farm uses, which include only those purposes which are usual in individual private family dwellings, or separately metered apartments, and in the usual appurtenant buildings served through the residential meter. This rate is not available for commercial or industrial service, or for resale purposes.

Residences in conjunction with commercial or industrial enterprises; homes or dormitories for groups other than private family units; apartment buildings or multiple dwellings; and mobile homes in courts may take service on this rate only under the terms and conditions contained in the Company's Standard Rules and Regulations.

Service for single phase motors may be included under this rate, provided the individual capacity of such motors does not exceed 3 Hp, and the total capacity of such motors does not exceed 10 Hp, without the specific consent of the Company.

Nature of Service:

Alternating current, 60 hertz, single phase, 120/240 volts.

Customer Choice of Generation Service Provider:

A customer may choose to have its Generation Service provided by an Alternative Electric Supplier, under the terms and conditions applicable to Retail Access Service as delineated in (Sheet No E-1.00). A customer whose Generation Service is provided by an AES is subject to the Distribution Charges shown below but is not subject to the Power Supply Charges shown below.

A customer that does not choose to have its Generation Service provided by an AES shall be provided Full Requirements Service by the Company and is subject to both the Distribution Charges and the Power Supply Charges shown below.

Monthly Rate:**Distribution Charges:**

Customer Charge: \$ 5.00 per customer per month

Energy Charge: *\$0.05965* per kWh for all kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-4.90.

Power Supply Charges:

Energy Charge: *\$0.07644* per kWh for all kWh

(continued on Sheet No. D-6.00)

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Alpena, MI 49707

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GENERAL SERVICE

Availability:

Open to any customer desiring lighting and incidental power service for any metered non-residential use, provided the load does not exceed 35 kW, measured on a 15-minute interval basis.

Nature of Service:

Alternating current, 60 hertz, single phase or three-phase, the particular voltage level in each case to be determined by the Company.

When the service is three-phase, 3-wire, lighting may be included provided the customer furnishes all transformation facilities required for such purpose, and so arranges the lighting circuits as to avoid excessive unbalance of the three-phase load. When service is single-phase, or 4-wire, three-phase, the single-phase individual motor capacity shall not exceed 3 Hp, and the total single-phase motor capacity shall not exceed 10 Hp, without the specific consent of the Company.

Customer Choice of Generation Service Provider:

A customer may choose to have its Generation Service provided by an Alternative Electric Supplier, under the terms and conditions applicable to Retail Access Service as delineated in Section E, starting on (Sheet No. E-1.00). A customer whose Generation Service is provided by an AES is subject to the Distribution Charges shown below but is not subject to the Power Supply Charges shown below.

A customer that does not choose to have its Generation Service provided by an AES shall be provided Full Requirements Service by the Company and is subject to both the Distribution Charges and the Power Supply Charges shown below.

Monthly Rate:

Distribution Charges:

Customer Charge: \$7.00 per customer per month

Energy Charge: ~~\$0.05794~~ per kWh for all kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-4.90.

Power Supply Charges:

Energy Charge: ~~\$0.08030~~ per kWh for all kWh

Power Supply Cost Recovery:

This rate is subject to the Company's Power Supply Cost Recovery Factors as shown on Sheet Nos. D-3.00 and D-4.00.

Renewable Energy Surcharge:

This rate is subject to the Renewable Energy Surcharge shown on Sheet No. D-4.90.

(continued on Sheet No. D-9.00)

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STANDARD POWER SERVICE

Availability:

Open to any customer desiring secondary or primary voltage service where the annual highest actual demand, measured on a 15-minute interval basis, is at least 30 kW but less than 275 kW.

This rate is not available for street lighting service or for resale purposes.

Nature of Service:

Alternating current, 60 hertz, single phase or three-phase, the particular voltage level in each case to be determined by the Company.

When the service is three-phase, 3-wire, lighting may be included provided the customer furnishes all transformation facilities required for such purpose, and so arranges the lighting circuits as to avoid excessive unbalance of the three-phase load. When service is single-phase, or 4-wire, three-phase, the single-phase individual motor capacity shall not exceed 3 Hp, and the total single-phase motor capacity shall not exceed 10 Hp, without the specific consent of the Company.

Where the Company elects to measure the service on the primary side of the transformers, 2% shall be deducted for billing purposes from the energy measurements thus made.

Customer Choice of Generation Service Provider:

A customer may choose to have its Generation Service provided by an Alternative Electric Supplier, under the terms and conditions applicable to Retail Access Service as delineated in Section E, starting on (Sheet No. E-1.00). A customer whose Generation Service is provided by an AES is subject to the Distribution Charges shown below but is not subject to the Power Supply Charges shown below.

A customer that does not choose to have its Generation Service provided by an AES shall be provided Full Requirements Service by the Company and is subject to both the Distribution Charges and the Power Supply Charges shown below.

Monthly Rate:

Distribution Charges:

Customer Charge:

\$30.00 per customer per month

Capacity Charge:

\$ ~~11.400~~ per kW of billing demand

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-4.90.

(continued on Sheet No. D-12.00)

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STANDARD POWER SERVICE
(Continued from Sheet No. D-11.00)

Monthly Rate (Continued):

Power Supply Charges:

Energy Charge:

\$~~0.08416~~ per kWh for the first 300 kWh per kW of billing demand

\$~~0.07574~~ per kWh for the excess kWh

Power Supply Cost Recovery:

This rate is subject to the Company's Power Supply Cost Recovery Factors as shown on Sheet Nos. D-3.00 and D-4.00.

Renewable Energy Surcharge:

This rate is subject to the Renewable Energy Surcharge shown on Sheet No. D-4.90.

Note: Power Supply Charges are applicable only to customers who receive Full Requirements Service from the Company.

Billing Demand:

The billing demand shall be the maximum kilowatt demand, on a 15-minute interval basis, during the billing month, but not less than 50% of the highest billing demand of the preceding eleven months.

Billing demand determinations shall be rounded to the next highest full kilowatt.

Adjustment for Power Factor:

When the average power factor during the billing month is less than 80% lagging, the Company reserves the right to increase the capacity charge or charges, as applicable, for such billing month in the ratio that 80% bears to such average power factor. The Company shall determine the average power factor by test or by permanently installed measuring equipment.

Substation Ownership Credit:

When the customer furnishes and maintains complete substation equipment, including all transformers, switches, and other apparatus necessary to take service at primary voltage, 3% of the capacity charge or charges, as applicable, shall be deducted for billing purposes.

Minimum Charge:

The Customer Charge, Energy Optimization Surcharge, Renewable Energy Surcharge and the Capacity Charge .

(continued on Sheet No. D-13.00)

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Alpena, MI 49707

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LARGE POWER SERVICE

Availability:

Available to any customer where the annual highest actual demand is at least 250 kW, measured on a 15-minute interval basis, but not more than 1,300 kW, measured on a 60-minute interval basis.

This rate is not available for resale purposes.

Nature of Service:

Alternating current, 60 hertz, three-phase, the particular voltage level in each case to be determined by the Company.

Customer Choice of Generation Service Provider:

A customer may choose to have its Generation Service provided by an Alternative Electric Supplier, under the terms and conditions applicable to Retail Access Service as delineated in Section E, starting on (Sheet No. E-1.00). A customer whose Generation Service is provided by an AES is subject to the Distribution Charges shown below but is not subject to the Power Supply Charges shown below.

A customer that does not choose to have its Generation Service provided by an AES shall be provided Full Requirements Service by the Company and is subject to both the Distribution Charges and the Power Supply Charges shown below.

Monthly Rate:

Distribution Charges:

Customer Charge:

\$100.00 per month

Capacity Charge:

Maximum Demand Charge:

For service provided at 13,200 volts or higher nominal voltage:

\$3.403 per kW of maximum demand

For service provided at less than 13,200 volts nominal voltage:

\$5.105 per kW of maximum demand

On-Peak Billing Demand Charge:

For service provided at 13,200 volts or higher nominal voltage:

\$7.652 per kW of on-peak billing demand

For service provided at less than 13,200 volts nominal voltage:

\$7.805 per kW of on-peak billing demand

Power Factor Charge:

\$0.28 per excess kVar

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-4.90.

(continued on Sheet No. D-15.00)

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LARGE POWER SERVICE
(Continued from Sheet No. D-14.00)

Monthly Rate (Continued):

Power Supply Charges:

Energy Charge:

For service provided at 13,200 volts or higher nominal voltage:

\$ **~~0.08667~~** per kWh for all kWh consumed during the on-peak period

\$ **~~0.07194~~** per kWh for all kWh consumed during the off-peak period

For service provided at less than 13,200 volts nominal voltage:

\$ **~~0.08840~~** per kWh for all kWh consumed during the on-peak period

\$ **~~0.07337~~** per kWh for all kWh consumed during the off-peak period

Power Factor Charge:

\$ **~~0.39~~** per excess kVar

Power Supply Cost Recovery:

This rate is subject to the Company's Power Supply Cost Recovery Factors as shown on Sheet Nos. D-3.00 and D-4.00.

Renewable Energy Surcharge:

This rate is subject to the Renewable Energy Surcharge shown on Sheet No. D-4.90.

Note: Power Supply Charges are applicable only to customers who receive Full Requirements Service from the Company.

On-Peak Billing Demand:

The on-peak billing demand shall be based on the highest on-peak demand created during the billing month, provided that no on-peak billing demand shall be less than 50% of the highest on-peak billing demand of the previous eleven billing months.

The on-peak demand shall be the highest 60-minute demand created during on-peak hours. Billing demand determinations shall be rounded to the next highest full kilowatt.

(continued on Sheet No. D-16.00)

Issued _____, 2017, by
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Alpena, MI 49707

Effective for service rendered on
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LARGE INDUSTRIAL SERVICE

Availability:

Available to any customer desiring primary voltage service where the capacity requirement is 1,250 kW or more. However, customers whose capacity requirements exceed 2,000 kW, or whose service requirements involve unusual Company investments, may be required to enter into a special contract. This rate is not available for resale purposes.

Nature of Service:

Alternating current, 60 hertz, three-phase, the particular voltage level in each case to be determined by the Company.

Term and Form of Contract:

All service under this rate shall require a written contract with a minimum term of one year.

Customer Choice of Generation Service Provider:

A customer may choose to have its Generation Service provided by an Alternative Electric Supplier, under the terms and conditions applicable to Retail Access Service as delineated in Section E, starting on (Sheet No. E-1.00). A customer whose Generation Service is provided by an AES is subject to the Distribution Charges shown below but is not subject to the Power Supply Charges shown below.

A customer that does not choose to have its Generation Service provided by an AES shall be provided Full Requirements Service by the Company and is subject to both the Distribution Charges and the Power Supply Charges shown below.

Monthly Rate:

Distribution Charges:

Customer Charge:

\$400.00 per month

Capacity Charge:

Maximum Demand Charge:

For service provided at 34,500 volts nominal voltage:

\$ **1.612** per kW of maximum demand

For service provided at 13,800 volts nominal voltage:

\$ **1.612** per kW of maximum demand

For service provided at 13,200 or lower volts nominal voltage:

\$ **2.675** per kW of maximum demand

(continued on Sheet No. D-19.00)

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LARGE INDUSTRIAL SERVICE
(Continued from Sheet No. D-18.00)

Monthly Rate (Continued):

Distribution Charges (Continued):

Capacity Charges (Continued):

On-Peak Billing Demand Charge:

For service provided at 34,500 volts nominal voltage:

\$2.096 per kW of on-peak billing demand

For service provided at 13,800 volts nominal voltage:

\$2.096 per kW of on-peak billing demand

For service provided at 13,200 volts or lower nominal voltage:

\$3.745 per kW of on-peak billing demand

Power Factor Charge: \$0.28 per excess kVar

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-4.90.

Power Supply Charges:

Capacity Charge:

On-Peak Billing Demand Charge:

For service provided at 34,500 volts nominal voltage:

\$5.000 per kW of on-peak billing demand

For service provided at 13,800 volts nominal voltage:

\$5.000 per kW of on-peak billing demand

For service provided at 13,200 volts or lower nominal voltage:

\$4.480 per kW of on-peak billing demand

Energy Charge:

For service provided at 34,500 volts nominal voltage:

\$0.06975 per kWh for all kWh consumed during the on-peak period

\$0.05789 per kWh for all kWh consumed during the off-peak period

For service provided at 13,800 volts nominal voltage:

\$0.06975 per kWh for all kWh consumed during the on-peak period

\$0.05789 per kWh for all kWh consumed during the off-peak period

For service provided at 13,200 volts or lower nominal voltage:

\$0.07343 per kWh for all kWh consumed during the on-peak period

\$0.06095 per kWh for all kWh consumed during the off-peak period

Power Factor Charge: \$0.39 per excess kVar

(continued on Sheet No. D-20.00)

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LARGE INDUSTRIAL SERVICE
(Continued from Sheet No. D-21.00)

Monthly Rate (Continued):

Interruptible Load Discount:

A credit of \$ **2.50** per kW of on-peak billing demand shall be applied to any Full Requirements Service customer who contracts in writing to permit the Company to curtail its entire load during a period of short-term power emergency.

If the customer wishes to allow a portion, but not all, of its load to be curtailed during a period of short-term power emergency, it can, subject to approval by the Company, nominate a firm load reservation that is no more than 25% of its maximum load. The customer's load above the firm load reservation will then be subject to curtailment. A credit of \$2.90 per kW of that portion of the on-peak billing demand which is in excess of the customer's firm load reservation shall be applied to any customer who contracts in writing to permit the Company to curtail a portion of its load during a period of short-term power emergency.

The customer shall be provided, whenever possible, notice in advance of probable interruption and the estimated duration of the interruption. Customers who do not interrupt within one hour following notice of an interruption order shall be billed at the cost of replacement energy plus \$0.01 per kWh during the time of the interruption, but not less than \$0.07 per kWh. Additionally the customer shall be billed at the rate of \$50 per kW for the highest 60-minute kW demand created during the interruption period for all usage above the customer's firm demand, in addition to the prescribed monthly rate.

Once the customer has contracted in writing to permit all or a portion of its load to be curtailed it must provide 24 months written notice of its desire to revert to firm service or to increase the firm load reservation. The Company may waive all or a portion of this notice requirement.

Billing Determinants:

All billing determinants shall be based upon recorded meter information.

Minimum Charge:

The Capacity Charge plus the Customer Charge, Energy Optimization Surcharge, and Renewable Energy Surcharge.

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(continued on Sheet No. D-23.00)
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M.P.S.C. No. 9

Alpena Power Company

(To cancel Alternative Energy Manufacturing Service Rate)

Third-Revised Sheet No. D-24.00

Cancels Second-Revised Sheet No. D-24.00

This Sheet has been cancelled and is reserved for future use.

(continued on Sheet No. D-25.00)

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M.P.S.C. No. 9

Alpena Power Company

Third-Revised Sheet No. D-25.00

(To cancel Alternative Energy Manufacturing Service Rate) Cancels Second-Revised Sheet No. D-25.00

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(continued on Sheet No. *D-25.01*)

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(continued on Sheet No. D-25.02)

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M.P.S.C. No. 9
Alpena Power Company
(To cancel Alternative Energy Manufacturing Service Rate)

First-Revised Sheet No. D-25.02
Cancels Original Sheet No. D-25.02

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(continued on Sheet No. D-25.03)

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(continued on Sheet No. D-26.00)

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(continued on Sheet No. D-27.00)

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(continued on Sheet No. D-28.00)
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M.P.S.C. No. 9
Alpena Power Company
(To cancel rate)

Second-Revised Sheet No. D-28.00
Cancels First-Revised Sheet No. D-28.00

This Sheet has been cancelled and is reserved for future use.

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(continued on Sheet No. D-29.00)
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M.P.S.C. No. 9
Alpena Power Company
(To cancel rate)

Second-Revised Sheet No. D-29.00
Cancels First-Revised Sheet No. D-29.00

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OUTDOOR PROTECTIVE LIGHTING SERVICE

Availability:

Customers desiring controlled service for outdoor protective lighting on premises where the customer is presently taking service under a standard rate schedule.

Hours of Service:

Dusk to dawn service controlled by photo-sensitive devices which provide service every night and all night for approximately 4,200 hours per year.

Nature of Service:

New Service requests will consist of a light emitting diode (LED) fixture appropriately mounted. Customers that have existing high pressure sodium (HPS) lights in place are able to continue to use those lights until such time as the fixture is damaged or the company determines it needs to be replaced. At that time, it will be replaced with an LED fixture. Non-functioning lights must be reported by the customer and the Company shall undertake to repair the light as soon as reasonably possible during regular working hours.

Customers that request to have their existing HPS lights replaced with the new LED lights would be responsible for paying a \$200.00 service charge to have a company service crew go to their site, remove the old HPS light and install a new LED light.

Monthly Rate:

Existing pole and existing secondary facilities:

100 watt, 8,500 nom. lumens	\$ 11.05 per month, per light
250 watt, 24,000 nom. lumens	\$ 18.35 per month, per light
<i>60 watt, 7,100 nom. lumens</i>	<i>\$11.05 per month, per light</i>
<i>177 watt, 18,050 nom. lumens</i>	<i>\$18.35 per month, per light</i>

New pole and single span of new secondary facilities:

100 watt, 8,500 nom. lumens	\$ 12.75 per month, per light
250 watt, 24,000 nom. lumens	\$20.10 per month, per light
<i>60 watt, 7,100 nom. lumens</i>	<i>\$12.75 per month, per light</i>
<i>177 watt, 18,050 nom. lumens</i>	<i>\$20.10 per month, per light</i>

Bills shall be rendered in equal monthly installments without provision for partial or seasonal service.

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-4.90.

(continued on Sheet No. D-31.00)

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OUTDOOR PROTECTIVE LIGHTING SERVICE
(Continued from Sheet No. D-30.00)

Power Supply Cost Recovery:

This rate is subject to the Company's Power Supply Cost Recovery Factors as shown on Sheet Nos. D-3.00 and D-4.00.

The monthly kilowatt-hours for application of the Power Supply Cost Recovery Factor shall be 41 kWh for 100 watt lights, 111 kWh for 250 watt lights, *21kWh for 100W equivalent LED and 62 kWh for 250W equivalent LED.*

Renewable Energy Surcharge:

This rate is subject to the Renewable Energy Surcharge shown on Sheet No. D-4.90.

Due Date and Late Payment Charge:

The due date of the customer bill shall be 21 days from the date of transmittal. A late payment charge of 2% of the total net bill shall be added to any bill which is not paid on or before the due date shown thereon.

Special Terms and Conditions:

Outdoor protective lighting is primarily intended for installations on existing poles and served from existing secondary facilities. All lights will be installed so as to overhang private property from existing or new poles set at points satisfactory to the customer and the Company.

Special purpose facilities are considered to be line extensions, transformers and any additional poles without lights, excluding facilities provided under stated charges above. Where special purpose facilities are required, the customer shall make a non-refundable contribution in aid of construction for 100% of the cost of such special purpose facilities.

In the event the customer discontinues service before the end of one year, the established rate for the remaining portion of the year shall immediately become due and payable.

Rules and Regulations:

Service under this rate is governed by the Company's Standard Rules and Regulations. The charges under this rate are subject to the General Terms and Conditions of Rate Schedules (Sheet No. D-1.00 through Sheet No. D-4.00).

STREET AND HIGHWAY LIGHTING SERVICE

Availability:

Open to the State of Michigan or any political subdivision thereof having jurisdiction over public streets or roadways, for street or highway lighting service for any system where the Company has existing distribution facilities appropriate for supplying such services.

Hours of Service:

Dusk to dawn service controlled by photo-sensitive devices which provide service every night and all night for approximately 4,200 hours per year.

Nature of Service:

The Company shall furnish, install and own the entire equipment, including wood poles, overhead lines, luminaires, supporting brackets for wood pole mounting and lamps. *All new installations shall consist of a light emitting diode (LED) fixture. Existing high pressure sodium (HPS) lights shall continue to be maintained by the company until such time as the fixture is damaged or the Company determines it needs to be replaced. At that time, it will be replaced with an LED fixture.* Non-functioning lights must be reported by the customer and the Company shall undertake to repair the lights as soon as reasonably possible during regular working hours.

Monthly Rate:

The charge per light, with the Company reserving the right to select the type of fixture to be installed, shall be:

100 watt, 8,500 nom. lumens **\$9.46** per month, per light

40 watt, 7,000 nom. lumens **\$9.46 per month, per light**

Bills shall be rendered in equal monthly installments without provision for partial or seasonal service.

(continued on Sheet No. D-33.00)

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STREET AND HIGHWAY LIGHTING SERVICE
(Continued from Sheet No. D-32.00)

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-4.90.

Power Supply Cost Recovery:

This rate is subject to the Company's Power Supply Cost Recovery Factors as shown on Sheet Nos. D-3.00 and D-4.00.

The monthly kilowatt-hours for application of the Power Supply Cost Recovery Factor shall be 41 kWh for 100 watt lights *and 14 kWh for 100W equivalent LED Fixtures.*

Renewable Energy Surcharge:

This rate is subject to the Renewable Energy Surcharge shown on Sheet No. D-4.90.

Due Date and Late Payment Charge:

The due date of the customer bill shall be 21 days from the date of transmittal. A late payment charge of 2% of the total net bill shall be added to any bill which is not paid on or before the due date shown thereon.

Special Terms and Conditions:

In case of new or added installations, requiring a substantial investment, the Company may require a contract for a reasonable period not exceeding 10 years.

The Company reserves the right to make special contractual arrangements as to term or duration of contract, termination charges, annual charges, or other special consideration when the customer requests service, equipment or facilities not normally provided under this rate.

In the event the customer discontinues service before the end of one year, the established rate for the remaining portion of the year shall immediately become due and payable.

The customer shall be obligated to reimburse the cost of relocation made necessary by street and highway construction repairs.

Rules and Regulations:

Service under this rate is governed by the Company's Standard Rules and Regulations. The charges under this rate are subject to the General Terms and Conditions of Rate Schedules (Sheet No. D-1.00 through Sheet No. D-4.00).

EXPERIMENTAL PRIMARY DISTRIBUTION SERVICE

Availability:

Available to any customer desiring delivery of customer owned power from a primary (nominal voltage of either 4,160 volts, 13,200 volts *or 34,500 volts*) connection point located within 4,000 circuit feet of either 1) a Company interchange point or 2) a Company owned substation, to a Company interchange point.

Each connection point shall be considered a separate service.

Nature of Service:

Alternating current, 60-hertz, three-phase, the particular nature of the voltage in each case to be determined by the Company.

Term and Form of Contract:

All service under this rate shall require a written contract with a minimum term of one year.

Metering Equipment:

The load under this tariff shall be separately metered by demand and energy hourly recording (Time-of-Use) meters of billing quality. Such metering equipment shall be furnished, installed, maintained and owned by the Company.

Monthly Rate:

Customer Charge:

\$100.00 per month

Distribution Service Charge:

\$0.152 per kW of maximum demand

Monthly Variable Customer Charge:

For those connection points where the voltage at the metering point is different than the voltage at the connection point the following Monthly Variable Customer Charge will be applied:

The monthly metered kWh multiplied by 2% multiplied by the prior month's average power costs (rounded to the nearest \$0.001) from the Company's primary power supplier.

(continued on Sheet No. D-46.00)

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EXPERIMENTAL PRIMARY DISTRIBUTION SERVICE

(Continued from Sheet No. D-45.00)

Reactive Power Supply Service Charge:

If the customer's monthly average power factor is lagging then there shall be no charge. If the customer's monthly average power factor is leading then there shall be a charge based upon the hourly average kilovars as follows:

For power supplied on or after January 1, 2018	\$0.2912 per kilovar
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Real Power Losses:

There shall be no real power losses associated with this rate.

Maximum Demand:

The maximum demand shall be the highest 60-minute demand created during the current month or the previous eleven months.

Minimum Charge:

The Customer Charge plus the Distribution Service Charge included in the rate.

Due Date and Late Payment Charge:

The due date of the customer bill shall be 21 days from the date of mailing. A late payment charge of 2% of the unpaid balance, net of taxes, shall be assessed to any bill which is not paid on or before the due date shown thereon.

Rules and Regulations:

Service under this rate is governed by the Company's Standard Rules and Regulations. The charges under this rate are subject to the General Terms and Conditions of Rate Schedules (Sheet No. D-1.00 through Sheet No. D-4.00), except for Rule B, Power Supply Cost Recovery Clause.

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